

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported) February 7, 2006

**Oil-Dri Corporation of America**

*(Exact name of registrant as specified in its charter)*

**Delaware**

**0-8675**

**36-2048898**

*(State or other jurisdiction  
of incorporation)*

*(Commission  
File Number)*

*(IRS Employer  
Identification No.)*

**410 North Michigan Avenue  
Suite 400  
Chicago, Illinois**

**60611-4213**

*(Address of principal executive offices)*

*(Zip Code)*

**Registrant's telephone number, including area code (312) 321-1515**

*(Former name or former address, if changed since last report.)*

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 1.01 Entry Into a Material Definitive Agreement.**

Oil-Dri Corporation of America (the "Registrant") and Richard M. Jaffee, Chairman of the Registrant's Board of Directors, have executed an amendment to their existing consulting agreement. The agreement, originally entered into in October 1989, had been previously amended in October 1998 and then again in October 2000. (The Registrant has previously filed the agreement and the two amendments with the Securities and Exchange Commission.) As previously amended, the agreement expired January 31, 2006.

The Registrant and Mr. Jaffee executed a third amendment on February 7, 2006, which is subject to approval by the Registrant's Board of Directors. Under this third amendment, the consulting agreement will continue in effect until January 31, 2011. It will thereafter renew automatically for successive one-year terms unless either party provides the other with at least 90 days' prior written notice of termination. As had been the case under the agreement as previously amended, Mr. Jaffee will receive consulting fees at the annual rate of \$185,000 as well as an office and administrative support from the Registrant. He and his spouse will continue to be covered under the Registrant's medical plan for their lifetimes, at no cost to them.

If approved by the Registrant's Board of Directors, this third amendment will be retroactive for all purposes to January 31, 2006. The Registrant expects to submit the amendment for consideration by its Board of Directors at a regular meeting scheduled for March 14, 2006. This summary of the third amendment is qualified in its entirety by reference to the complete amendment, which is filed as Exhibit 10.1 hereto and which is incorporated by this reference into this summary.

In light of this third amendment, Mr. Jaffee has determined to continue his practice of not receiving any annual retainer or meeting fees for his service on the Company's Board of Directors. The Registrant had previously reported that Mr. Jaffee would begin receiving an annual retainer and meeting fees beginning January 1, 2006.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

Exhibit Number	Description of Exhibits
10.1	Third Amendment to Agreement, dated as of January 31, 2006, between Oil-Dri Corporation of America and Richard M. Jaffee

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

OIL-DRI CORPORATION OF AMERICA

By: /s/ Charles P. Brissman

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Charles P. Brissman  
Vice President and General Counsel

Date: February 13, 2006

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Exhibit Index

**Exhibit  
Number**

**Description of Exhibits**

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10.1

Third Amendment to Agreement, dated as of January 31, 2006, between Oil-Dri Corporation of America and Richard M. Jaffee

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**THIRD AMENDMENT TO AGREEMENT**

THIS THIRD AMENDMENT TO AGREEMENT (this "Amendment") to the Agreement dated as of August 1, 1989, as subsequently amended by the First Amendment dated October 9, 1998 and the Second Amendment dated October 31, 2000 (as so amended, the "Agreement"), is made as of the 31<sup>st</sup> day of January, 2006 (but subject to Section 3 below), by and between Oil-Dri Corporation of America, a Delaware corporation ("Oil-Dri") and Richard M. Jaffee ("Jaffee").

WHEREAS, the parties hereto are the parties to the Agreement; and

WHEREAS, the parties hereto desire to amend the Agreement in the manner hereinafter set forth;

NOW, THEREFORE, in further consideration for Jaffee's continued services and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree to the following:

1. Incorporation of the Agreement. All capitalized terms which are not defined hereunder shall have the same meanings as set forth in the Agreement, and the Agreement, to the extent not inconsistent with this Amendment, is incorporated herein by this reference as though the same were set forth in its entirety. To the extent any terms and provisions of the Agreement are inconsistent with the terms and provisions set forth below, such terms and provisions shall be deemed superseded hereby. Except as specifically set forth herein, the Agreement shall remain in full force and effect and its provisions shall be binding on the parties hereto.

2. Amendments to the Agreement. The Agreement is hereby amended as follows:

(A) Section 1 of the Agreement is hereby deleted in its entirety.

(B) Section 5(a) of the Agreement is hereby amended to read in its entirety as follows:

Jaffee shall cease full time employment as of January 31, 2001. At that time, his compensation under Section 2(a) above shall terminate and, commencing February 1, 2001 for a period ending initially on January 31, 2011 (as this 10-year period may be renewed thereafter pursuant to the immediately following proviso, the "Consulting Period"), he will serve as a consultant to Oil-Dri; provided, however, that period of Jaffee's consulting will automatically renew for additional one-year periods after January 31, 2011 unless either Jaffee or Oil-Dri gives the other written notice of termination at least 90 days prior to, as the case may be, January 31, 2011 or the January 31 on which the renewal term then in effect expires. As a consultant, Jaffee shall perform all assignments given him from time to time by Oil-Dri's Board of Directors or President. He shall be available to perform consulting services when and as needed but, unless he agrees, he will not be required to render consulting services outside of Chicago, Illinois. During the Consulting Period, he shall continue to serve as Chairman of the Board of Directors unless he requests, and the Board of Directors agrees, that he may relinquish that role.

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During the Consulting Period, Oil-Dri shall pay Jaffee consulting fees at the annual rate of \$185,000, payable bi-monthly. In addition, during the Consulting Period, Jaffee shall be provided with an office and secretary comparable to the office and secretary presently provided him. During the Consulting Period and thereafter until the death of the last to die of Jaffee or Jaffee's wife, both Jaffee and Jaffee's wife shall continue to be covered by Oil-Dri's health and major medical insurance programs, under the terms of the Oil-Dri Corporation of America Employee Benefit Plan, as amended, at no cost to Jaffee or Jaffee's wife; provided, however, that if, at any time during such period coverage cannot be continued for Jaffee or for Jaffee's wife under Oil-Dri's major medical insurance programs then Oil-Dri shall purchase an insurance policy to secure Medigap coverage (at a cost to it not to exceed \$10,000 per annum, with the beneficiary of such policy having the option to pay any cost over the above that amount); or, if Oil-Dri is unable to secure such a policy or, while it is able to do so, the beneficiary declines to pay the excess cost, then Oil-Dri shall cover the beneficiary's medical expenses to the same extent as they would have been covered under Oil-Dri's major medical insurance up to a lifetime aggregate of \$1,000,000.

(C) The second sentence of Section 5(c) of the Agreement is hereby amended to read in its entirety as follows:

This Supplemental Benefit was earned over the five-year period commencing February 1, 2001 and ending January 31, 2006, and will be payable to Jaffee beginning February 1, 2006.

(D) Section 5(d) of the Agreement is hereby deleted in its entirety.

(E) Section 5(e) of the Agreement is hereby amended to read in its entirety as follows:

In the event of total disability after February 1, 2006, payments under Section 5(c) shall be in lieu of (and not in addition to) those for total disability provided under Section 4(b).

(F) Section 19 of the Agreement is hereby amended to read in its entirety as follows:

This 1989 Agreement shall take effect August 1, 1989 and shall continue in effect for as long as the Consulting Period (as defined in Section 5(a) above) continues; provided, however, that Jaffee's rights to the Supplemental Benefit shall survive expiration of the Consulting Period and continue in full force and effect until the Supplemental Benefit has been fully paid.

3. Condition to Effectiveness. This Amendment will become effective only upon approval by Oil-Dri's Board of Directors, but once approved will be retroactive for all purposes to January 31, 2006. Oil-Dri agrees to promptly submit this Amendment for consideration by its Board of Directors.

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the date first written above.

OIL-DRI CORPORATION OF AMERICA

RICHARD M. JAFFEE

By: /s/ Daniel S. Jaffee

/s/ Richard M. Jaffee

Its: President and Chief Executive Officer

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